Long Term Care

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Long Term Care Insurance

Your health insurance provides for care if you are seriously ill or injured. However, if you require long term care for a chronic disability or a long-lasting disease, you may have to rely solely on your income, savings or assets.

An accident or serious illness can result in the need for long term care (LTC) at **any** age. Long term care insurance can assist you if you require this type of care.

Long term care is not covered by:
- Medical insurance
- Disability insurance
- Medicare (to any substantial degree)
- Medicaid, unless your assets have been reduced to the poverty level.

Long term care is expensive, and the cost is rising. The average cost of a home health aide is $18 an hour, or $158,000 a year for round-the-clock care.[1] Nursing home care now averages $70,080 a year.[2]

The Employee Insurance Program (EIP) and Aetna, the state's long term care program underwriter, offer you a choice of long term care insurance plans. These three options are designed to keep your assets from being depleted by the cost of long term care.

What is Long Term Care?

Long term care is the day-to-day assistance that you need when you have a serious illness or disability that may last for a long time, and you are unable to take care of yourself. It includes a wide range of services that can be provided in your home, an adult day-care center, an assisted-living facility, a nursing home or a hospice.

Who Can Enroll?

Full-time, permanent employees (as defined by the plan) may enroll within 31 days of their hire date without providing medical evidence of good health.

Current full-time, permanent employees may enroll throughout the year with approval of medical evidence of good health.

Spouses of eligible employees may enroll throughout the year with approval of medical evidence of good health. A spouse can enroll even if the employee does not, and premiums can be paid through payroll deduction.

Parents and parents-in-law of active employees may enroll throughout the year with approval of medical evidence of good health. Parents and parents-in-law can enroll even if the employee does not. They will be billed directly by Aetna.

Active employees who are retiring and their spouses may enroll within 31 days of the employee's retirement date with approval of medical evidence of good health.

Retired employees, spouses of retirees and surviving spouses may enroll throughout the year with approval of medical evidence of good health.

There is a 10 percent discount in premiums if both the employee/retiree and spouse enroll in the Service Reimbursement plans.

[1] *MetLife Mature Market Institute, 2004.*
[2] *GE LTC Insurance Nursing Home Survey, March 2002.*

LTC Plan Options and Features

You have three LTC plans from which to choose: a disability plan and two service reimbursement plans. All three plans offer:

An expanded list of "activities of daily living." (bathing, dressing, eating, transferring, continence, and toileting). In the disability plan, you qualify when Aetna certifies that either you are unable to perform three of six activities of daily living or that you have a severe cognitive impairment, such as Alzheimer's disease. In the service reimbursement plans, you qualify when Aetna certifies that either you are unable to perform two of six activities of daily living or that you have a severe cognitive impairment, such as Alzheimer's disease.

Did you know?

After you enroll, you can increase your long term care coverage to keep up with inflation. See page 111 for details.

Restoration of benefits. Your Lifetime Maximum Benefit is restored to its original amount if you recover (are no longer eligible for benefits for 90 consecutive days) and your Lifetime Maximum Benefit has not been exhausted and you resume premium payments.

Premium waiver. You do not pay premiums while you are receiving benefits. Premium payment will resume 90 consecutive days from the date you are no longer eligible for benefits, as long as the Lifetime Maximum Benefit has not been exhausted.

Portability. If you leave your job, you can continue your coverage by paying Aetna directly, at the same group rates. If you retire, your coverage continues. If you are a state agency, school or higher education retiree, you may have premiums deducted from your S.C. Retirement Systems benefits. Coverage is also fully portable for your family.

Death Benefit/Return of Contribution. This feature is only available to persons who enroll as active employees and to their spouses. The employee's or the spouse's premiums, less any claim dollars paid, can be returned to the beneficiary, subject to these rules:

- For employees, the amount of the refund is reduced by 10 percent a year, starting at age 65 or at retirement, whichever is later.
- For spouses, the amount of the refund is reduced by 10 percent a year, starting at age 65.

At the beginning of the tenth year, because of the yearly reduction in the return of contribution, no return of contribution will be payable. If you are receiving benefits at the time of your death, no return of contribution is payable.

The plan is tax-qualified. This means if your premium payments plus your other medical expenses exceed 7.5 percent of your gross annual income, then your premiums are deductible, subject to limitations, on your federal tax return. As always, please consult your tax advisor regarding your personal tax status.

Disability Plan

The disability plan pays a daily cash benefit after a 90-day waiting period that is based on your chosen daily benefit amount (DBA) and where care is received, regardless of charges for services provided. If you enroll in this option, you can choose a DBA from $50 to $250, in $10 increments. To qualify for benefits under the disability plan, you must be unable to perform **three** of the six activities of daily living (bathing, dressing, eating, transferring, continence, toileting) **or** have a severe cognitive impairment, such as Alzheimer's disease.

Service Reimbursement Plans

In the service reimbursement plan benefits begin after a 90-day waiting period. You submit receipts for the services you receive, and then you are reimbursed up to your selected daily benefit amount (DBA), based on your selected option and where care is given. You can choose a DBA from $50 to $350, in $10 increments. To qualify for benefits under the service reimbursement plans, you must be unable to perform **two** of the six activities of daily living or have a severe cognitive impairment, such as Alzheimer's disease. Two service reimbursement options are available. The first option pays 50 percent of your DBA for respite care, alternate care and community-based care. The second pays 100 percent of your DBA for the same services.

PLAN COMPARISON

	Disability Plan (Option #1)	Service Reimbursement Plan (Option #2)	Service Reimbursement Plan (Option #3)
Daily Benefit Amount (DBA)	$50 - $250 in $10 increments.	$50 - $350 in $10 increments.	$50 - $350 in $10 increments.
Lifetime Maximum Benefit Amount	5 years x DBA	5 years x DBA	5 years x DBA
Nursing Facility or Hospice Care	You receive 100% of your Daily Benefit Amount.	You receive your actual expenses, up to 100% of your Daily Benefit Amount.	You receive your actual expenses, up to 100% of your Daily Benefit Amount.
Assisted Living Facility Care	You receive 50% of your Daily Benefit Amount.	You receive your actual expenses, up to 100% of your Daily Benefit Amount.	You receive your actual expenses, up to 100% of your Daily Benefit Amount.
Community-Based Services	You receive 50% of your Daily Benefit Amount.	You receive your actual expenses, up to 50% of your Daily Benefit Amount.	You receive your actual expenses, up to 100% of your Daily Benefit Amount.
Informal Care	You receive 50% of your Daily Benefit Amount.	25% of your Daily Benefit Amount up to 100 days each calendar year.[1]	25% of your Daily Benefit Amount up to 50 days each calendar year.[1]
Alternate Care	You receive 50% of your Daily Benefit Amount.	You receive your actual expenses, up to 50% of your Daily Benefit Amount.	You receive your actual expenses, up to 100% of your Daily Benefit Amount.
Transitional Care	You receive 50% of your Daily Benefit Amount.	You receive 3 times your Daily Benefit Amount.[2]	You receive 3 times your Daily Benefit Amount.[2]
Caregiver Training	You receive 50% of your Daily Benefit Amount.	You receive the lesser of 100% of the actual expenses or 3 times your DBA.[1]	You receive the lesser of 100% of the actual expenses or 3 times your DBA.[1]
Respite Care	You receive 50% of your Daily Benefit Amount.	You receive your actual expenses, up to 50% of your Daily Benefit Amount for 21 days each calendar year.[1]	You receive your actual expenses, up to 100% of your Daily Benefit Amount for 21 days each calendar year.[1]

[1]Not subject to lifetime maximum.
[2]Not subject to lifetime maximum, paid only once in a lifetime.

Changing Your Coverage Level

If you are enrolled in the plan, you have two ways of increasing coverage to keep up with the rising cost of care at home and in a nursing facility.

1. **Inflation protection.** You may increase your coverage by $10 every two years, without proof of good health. You may do so even if you are receiving benefits, as long as you have not turned down a previous offer to increase your coverage under the inflation protection provision.
2. As long as you are not receiving long term care benefits, you can change to a higher-level daily benefit amount at any time with approval of medical evidence of good health. Upon approval, you may purchase additional coverage, up to the plan's current daily benefit maximum. The premiums for the additional coverage will be based on your age at the time of purchase.

Plan members may decrease coverage levels or cancel the policy at any time. The change becomes effective the first of the month after Aetna receives your request.

Premiums

Premiums are based on your age when you purchase the policy and your level of coverage. Premium charts for the plans are on pages 176-178.

Claims

To file a claim, call Aetna's Long Term Care Hotline at 800-537-8521. After you complete a claim form, Aetna will assign a case manager to your claim.

When Coverage Ends

You can cancel coverage at any time. When you leave your job with one eligible state group employer and become employed by another eligible state group employer without a break in coverage or more than a 15-day break in employment, please inform your benefits administrator. You will not be considered a new hire, and your coverage will remain the same as it was with your previous employer. EIP will send a transfer form to the benefits administrator at your new employer.

If you leave your job with one eligible state group employer and do not become employed by another eligible state group employer, you may continue your coverage and be billed directly by Aetna.

If you retire, you can continue coverage and have premiums deducted from your S.C. Retirement Systems benefits or through your former employer if you are a retiree of an optional employer.

Appeals

If your or your covered family member's claim for benefits is denied, you may appeal the decision by writing to Aetna and requesting a review. For more information about Aetna's appeals process, contact Aetna at 800-248-0591.

For More Information

This section of the *Insurance Benefits Guide* is a brief overview of the Long Term Care Insurance Plan. If you are not enrolled in the plan and want more information, if you want to receive an enrollment packet or if you are enrolled and want information about increasing your coverage, contact your benefits administrator, EIP or log on to Aetna's Web site at www.aetna.com/group/southcarolina.